

MASTER'S THESIS

GEORGE PETER VERCESSI

SAN DIEGO STATE UNIVERSITY

1974

DUDLEY KNOX LIBRARY
NAVAL POSTGRADUATE SCHOOL
MCCLELLAN, CALIFORNIA 93940

BUSINESS MANAGEMENT AND PUBLIC RELATIONS:
AN ANALYSIS OF DIVERGENT VIEWPOINTS

A Thesis
Presented to the
Faculty of
San Diego State University

In Partial Fulfillment
of the Requirements for the Degree
Master of Science
in
Mass Communications

by
George Peter Vercessi [LtCdr., U.S.N.]
January 1974

T159596

BUSINESS MANAGEMENT AND PUBLIC RELATIONS:
AN ANALYSIS OF DIVERGENT VIEWPOINTS

A Thesis
Presented to the
Faculty of
San Diego State University

by
George Peter Vercessi
January 1974

Approved by:

TABLE OF CONTENTS

Chapter

I.	A STATEMENT OF THE PROBLEM	1
II.	HISTORICAL BACKGROUND	8
	Introduction	
	A Gap Exists	
	Cause for the Gap	
	The Status of Public Relations	
III.	INTERVIEWS WITH FIVE PUBLIC RELATIONS PRACTITIONERS	37
	Introduction	
	Background	
	Findings	
	Summary	
IV.	SURVEY OF MANAGEMENT VIEWPOINTS	52
	Introduction	
	Method	
	Summary	
	Tabulation	
V.	SUMMARY AND CONCLUSIONS	66
	A Review of the Problem	
	What Can Be Done?	
	The Future	
	Conclusions	
	SELECTED BIBLIOGRAPHY	84
	ABSTRACT	89

CHAPTER I

A STATEMENT OF THE PROBLEM

The first sentence of Bertrand Canfield's textbook, *Public Relations Principles, Cases and Problems*, alerts the reader to a basic problem inherent in public relations. He states, "The meaning of public relations in our economic, social and political life is not clearly understood by the public and in many cases by management."¹ Leonard Daniels, University of Arizona lecturer, also shares this view. "In an age of communications problems in many fields," says Daniels, "public relations seems to have misplaced its link to management."²

Public relations practitioner Edward Starr explains that

Many people who refer so easily to public relations don't really understand what it means. They confuse it with product advertising or promotion. Others, falling for the exaggerated accounts of its power, . . . equate it with black magic.³

¹Bertrand C. Canfield, *Public Relations Principles, Cases and Problems* (Homewood, Ill.: Richard D. Irwin, Inc., 1968), p. 1.

²Leonard N. Daniels, "PR Gestalten: A System for Quantifying Public Relations Output for Managers," *Public Relations Journal*, 28 (January, 1972), 8.

³Edward Starr, *What You Should Know about Public Relations* (New York: Oceana Publications, 1968), p. 1.

To the laymen, public relations seems to function in an atmosphere shrouded in mystique. It has been credited with such diverse feats as the success or failure of politicians and products, companies and causes. Such tasks have been described as "the invisible sell," "the engineering of consent," and "projecting the corporate image." Its practitioners have been referred to as "press agents," "image merchants," "hidden persuaders," and "flacks." Canfield concedes, " . . . much of what has been written and said about public relations has confused the public as to the real meaning of this powerful force."⁴

One possible reason public relations does not present a clear image of itself may be that it is not easily definable. A cursory review of available literature will, to the reader's astonishment, produce a multitude of definitions. Canfield discloses that

Numerous definitions of public relations have attempted to delineate its functions and explain the social philosophy which underlies effective public relations programs.⁵

Some definitions are too broad and simplistic, and consequently offer little in the way of understanding public

⁴Bertrand C. Canfield, *Public Relations Principles, Cases and Problems*, p. 1.

⁵*Ibid.*

relations. For example, "winning the friends you deserve," and "doing something and getting credit for it." Conversely, there are definitions which are more complex and detailed, thereby providing some insight to the field. One such definition is offered by Edward Starr:

. . . the function that evaluates public attitude, identifies the policies and procedures of an individual or organization with the public interest and executes a program of action to earn public understanding and acceptance.⁶

By examining the history of public relations during the twentieth century, a pattern develops which provides some explanation for the many definitions. There is a relationship between the growth of public relations and the complexity of the definitions. At the turn of the century, public relations consisted solely of obtaining publicity for business. Practitioners assisting their clients in resisting social reform initiated by muckraking journalists advised management to simply be candid in their dealings with the press. Heretofore, business operated exclusively for its own benefit with no concern for the public interest. When management adopted the principle of candor, the media responded eagerly. As a result, management was able to make its case known,

⁶Edward Starr, *What You Should Know about Public Relations*, p. 1.

usually with favorable results. As public relations expanded to include such diverse tasks as product publicity, fund raising, lobbying, mediating, and the nurturing of relations among such groups as employees, consumers, suppliers, minorities, and government agencies, it became increasingly more difficult to define. In light of this growth and expansion of public relations activities, Philip Lesly's analysis of the situation appears accurate. He maintains,

The gap between theory and the multifaceted, constantly changing operations in the field has grown tremendously. This is true in all aspects of the art: sensing trends and climate of attitudes; developing policy; planning; programming; execution of activities, and feedback and execution.⁷

One other factor which may be responsible for public relations' cloudy image is the manner in which the practitioner performs his services. For years practitioners routinely carried out their duties as a jack-of-all-trades. More recently, trends are developing which contradict this approach to public relations. Many practitioners now maintain that our complex society demands specialization. Consequently, there are specialists in such areas as financial affairs, government relations, minority affairs, community relations, women's

⁷Philip Lesly, *Lesly's Public Relations Handbook* (Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1971), p. vii.

activities, and media relations. In an effort to establish a concrete image, the practitioner is carving a niche in the corporate structure as a specialist. However, with so many specialties to choose from, management becomes more confused as to what public relations really is, and the gap grows wider.

One other major issue discussed in this study is the practitioner's use of the phrase "intangible" when providing information to management. Evidence implies that management has not been satisfied with such inconclusive responses as the following analysis by Philip Lesly. "The major problems facing business today," he explains, "are mostly intangible, immeasurable, and not subject to factual analysis."⁸ Research indicates that by maintaining this viewpoint, the practitioner has neither enhanced management's perspective of public relations, nor encouraged confidence in his own role.

Oddly enough, the study also discloses a trend by management away from the traditional line of thinking in which management expects quantitative solutions to problems. Today, management has come to realize that there are no simple and fast solutions to the complex problems facing us. And the very approach taken by the public relations practitioner, which has inhibited his progress

⁸*Ibid.*, p. 513.

in the corporate structure, may have to be adopted by management. Although movement in this direction is somewhat slow, there is some indication that the practitioner's viewpoints are being accepted by management. This point can be substantiated by the higher positions awarded to the practitioner at the top management level. The *Wall Street Journal* reports that more than 170 public relations executives moved into top corporate posts in 1970. Of that number, one became a chairman, six were named president, and sixteen were made executive vice-presidents.⁹

The specific area of study contained herein involves what Howard Stephenson describes as "the confusion concerning the actual role of public relations in management."¹⁰ The "confusion" stems from the practitioner's insistence on defining his role as a "function of management," while the information gathered and developed in the following pages indicates that management may not agree with this concept. The data seem to suggest that management is confused as to what public relations really is. This confusion tends to restrict the practitioner in the performance of his duties at a

⁹Article, *Wall Street Journal*, Aug. 4, 1970, p. 1.

¹⁰Howard Stephenson, *Handbook of Public Relations* (New York: McGraw-Hill Book Co., 1960), p. 10.

time when management requires public relations assistance more than ever before.

A purpose of this study is to provide the public relations practitioner with information which supports the hypothesis that he is functioning during an era which requires a higher degree of professional performance than has been achieved in the past.

CHAPTER II

HISTORICAL BACKGROUND

Introduction

To understand better the status of public relations in the seventies, it is useful to review briefly its progress since the turn of the century. Public relations as practiced today emerged from the struggle between the powerful monopolies and social reformers. "Big business was committed to the doctrine that the less the public knew of its operations, the more efficient and profitable the operations would be."¹ The practice by big business of bold exploitation of the people and natural resources resulted in an era of muckraking journalism, a period extending approximately from 1900 to 1917. Works such as Upton Sinclair's *The Jungle* and Ida Tarbell's *The History of Standard Oil*, which attacked the practices of the meat industry, resulted in waves of public protest which ultimately brought regulatory legislation. Businessmen initially reacted by attempting to silence the muckrakers with legal action. When this

¹Scott M. Cutlip and Allen H. Center, *Effective Public Relations* (Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1964), p. 28.

proved fruitless, they turned to advertising. This also failed. Ultimately, industries took the cue and turned to the specialist who told the business story in the press, to the newspaperman."² Generally, these people had little or no understanding of the causes of the conflict and merely countered with whitewash and press-agentry. There were some exceptions, however; notably, Ivy Ledbetter Lee. He persuaded business to be honest and take its case directly to the people. Lee further convinced business that performance determines the kind of publicity it receives. John D. Rockefeller, Jr. suggested to Lee that the latter personally refute mis-statements of fact every time they appeared in print. Typical of Lee's approach was his reply to Rockefeller--that he felt " . . . constructive, positive publicity was of more importance."³

In 1929 when the stockmarket collapsed and the nation was plunged into a depression, public relations again played a significant role in the business arena. Radical reforms by New Dealers were only achieved by gaining support from an informed public. In an effort to solidify the country, President Roosevelt went to the

²*Ibid.*, p. 35.

³Ray E. Hiebert, *Courtier to the Crowd* (Ames: Iowa State University Press, 1966), p. 105.

people via his famous radio "fireside chats" and was able to obtain the necessary support for his programs. "As a result, business leaders turned increasingly to public relations men for help in fighting against Roosevelt's biting criticism and his legislative reforms."⁴

During the forties, social sciences played a significant role in advertising and public relations planning. For example, public opinion polling came of age in the forties. Actually, it had been under experimental study as early as the thirties by such prominent people as Elmo Roper. Roper directed the Fortune Survey which later became known as the Roper Poll. In 1944, Paul Lazarsfeld published *The People's Choice* in which he demonstrated predispositions in voting behavior.⁵ Additionally, the National Opinion Research Center was established at the University of Denver in 1941 to develop public opinion measuring techniques, conduct surveys for governmental agencies, and provide graduate training for public opinion research.⁶ Public relations practitioners incorporated these new measuring devices into their field

⁴Scott M. Cutlip and Allen H. Center, *Effective Public Relations*, p. 50.

⁵Paul F. Lazarsfeld, *The People's Choice* (New York: Sloan and Pearce, 1944).

⁶Bernard C. Hennessy, *Public Opinion* (Belmont, Calif.: Wadsworth Publishing Co., 1970), p. 90.

and, in so doing, improved their practice considerably.

The fifties was a comparatively calm and tranquil period for business. Public relations tended to take a back seat to advertising, which dominated the scene as Vance Packard suggests in his book *The Hidden Persuaders*. The resurgence of public relations became evident in the turbulent sixties as black militancy and civil rights movements occurred. Again, business was placed in a position which demanded it yield to social pressures. The definition of public relations most widely accepted during this period exemplified management's concern with the task of aligning its policies with public opinion.⁷ George Wilkins, public relations supervisor for the Carnation Company, explained, "We saw the need to develop ethnic programs."⁸ Also, Carnation hired a black public relations specialist whose main function was to establish and maintain good relations with minority organizations.

The civil rights movement caused Americans to expect more from government and business in curing social

⁷Scott M. Cutlip and Allen H. Center, *Effective Public Relations*, p. 4. "Public relations is the management function which evaluates public attitudes, identifies the policies and procedures of an individual or an organization with the public interest, and executes a program of action to earn public understanding and acceptance."

⁸George Wilkins, Supervisor of Public Relations, Carnation Company, private interview held in Los Angeles, California, Nov. 8, 1973. (See Chapter III, p. 41).

ills. No longer was the reputation of business determined solely by its success in the marketplace. There were additional obligations. Social injustices and economic problems had to be solved. A *Business Week* article summed up the situation: "It hasn't taken long for management to come to the realization that corporate policy rather than publicity may hold the key to their problems of consumer acceptance."⁹ Richard Kattel, President of Atlanta's Citizens and Southern National Bank, added: "The anti-big business mood is partly our fault. I think big business has a tendency to stick its head in the ground in terms of public opinion."¹⁰ Some businesses were reacting with renewed interest in developing programs that were in the public interest. For example, Strawbridge & Clothier, a department store chain in Philadelphia, set up a series of consumer advisory boards drawn from the ranks of its shoppers. Approximately every two months the board members met at the branch stores to discuss the stores' performance and make suggestions. One complaint that the store was not involved enough with the community resulted in positive action. The company offered eight-week courses at a

⁹"How Business Faces a Hostile Climate," *Business Week*, Sept. 16, 1972, p. 70.

¹⁰*Ibid.*

cost of \$15 each in 110 subjects, ranging from gourmet cooking to karate.¹¹

Such social changes contributed to a climate which demanded once again that public relations be given a high priority by business. Additional trends were developing which seemed to indicate that public relations was becoming a permanent member of the management team. For example, advertising, which had enjoyed a relatively carefree existence, was being examined more carefully by both the Federal Trade Commission (FTC) and the Federal Communications Commission (FCC). Public relations was not being turned to as a substitute for advertising, but rather as a support when it seemed to be failing. A good example is to be found in Standard Oil of California's claim for F-310, a new type of gasoline introduced in January, 1970, which many believed would significantly reduce air pollution. Standard Oil claimed in its advertising that F-310 would "substantially" reduce air pollution. In early 1972, the FTC charged Standard with flagrantly violating advertising procedures and fraudulently advertising its product. The company's public relations department was brought in immediately and worked closely with Standard's research department to answer the charge and communicate the facts to the

¹¹*Ibid.*, p. 71.

public. Throughout the investigation and the proceedings, Standard Oil maintained that its claim was valid since F-310 reduced hydrocarbon emission by ten to twelve per cent.¹² This is a classic example of public relations' traditional role in being called in "after the fact."

There was a second factor which indicated that management needed public relations' counseling. In 1972, the American Management Association published the results of a survey which indicated that nearly two out of three industrial companies felt they had serious corporate image problems.¹³

Despite all of those factors which indicated that the position of public relations within the corporate structure was secure, the nation's economy dipped, and public relations lost what appeared to be a firm foothold. In June, 1970, the *Wall Street Journal* stated that estimates of ten per cent of the nation's 110,000 public relations practitioners were out of work as a result of declining corporate profits.¹⁴ Legions of practitioners

¹²William Murphy, Public Relations Counsel, Standard Oil of California, Western Corp., Inc., private interview held in Los Angeles, Calif., Nov. 8, 1973.

¹³"How Business Faces a Hostile Climate," *Business Week*, Sept. 16, 1972, p. 70.

¹⁴Stewart W. Pinkerton, Jr., "PR Men First To Go When Times Are Bad," *Wall Street Journal*, June 29, 1970, p. 1.

were unemployed. Whether they were outside consultants or staff employees of big corporations made little difference at the time.

A Gap Exists

The question that arises is why should public relations, a significant and important part of the management team, be sacrificed so abruptly at a time when it seemed to be needed the most? Such action suggests that management's perspective of public relations as a function of management is somewhat different than the practitioner's. To determine whether management and the practitioner view public relations similarly, it is necessary first to find out whether both agree on a common definition.

Public Relations News, a weekly newsletter written for the public relations profession, provides the following definition:

. . . a management function that evaluates public attitudes, identifies the policies and procedures of an individual or an organization as they affect the public interest, and executes a program of action to earn public understanding and acceptance.¹⁵

On the surface this would appear to be an acceptable definition. The problem is such that if ten

¹⁵Art Stevens, "Public Relations: The Image of the Image Maker," *Management Review*, November, 1971, p. 2.

practitioners were asked to define public relations, none would agree on one definition. Scott Cutlip offers several examples: "Doing the right thing and getting credit for it." "Good conduct coupled with good reporting." "Earned recognition." "Human decency which flows from a good heart." "Most definitions," Cutlip explains, "embrace the compound principle of good performance made widely and favorably known."¹⁶ As a result, management never fully understands what public relations is. A recent article aimed at top management underscores this problem:

Public relations is still clouded in mystique in the eyes of many managements--a concept they do not understand fully and which therefore frightens or baffles them to varying degrees. Management cannot be held totally responsible. They are reacting to a concept which has suffered from over-definition to the point where it has become almost as meaningless as its alleged catch phrase "image."¹⁷

Some counselors write articles and books aimed specifically at top management's emphasizing the need for employing public relations. In doing so, these counselors complicate matters by providing elusive reasons which only contribute to the profession's mystique. David Finn, President of Rudder and Finn, offers just

¹⁶ Scott M. Cutlip and Allen H. Center, *Effective Public Relations*, p. 4.

¹⁷ "PR Seeks Boardroom Status," *Industrial Management*, January, 1972, p. 30.

such an inducement:

. . . since public relations deals with intangibles, results are difficult to measure, but the idea that good public relations helps business is accepted by most executives as axiomatic.¹⁸

When management asks the practitioner specific questions, it is often told that public relations is not advertising with specific rates and costs. Instead, management is told that public relations is intangible. The man to whom this answer is given is an executive, high in the organization of a company--someone who got where he is by being good at production, finance, labor relations, sales, or systems. He is a man of specific, someone who is number-oriented. How can the word "intangible" be used on such a man? It cannot. To do so will cause him to relegate the public relations man to the only place in his mind that he has for intangibles and classify him as the first expendable item when costs have to be cut.

Although a working relationship has existed between business and public relations for over half a century, management still unabashedly claims it does not know what public relations is, and public relations cannot prove what it does. . . ,

explains Len Daniels, a leading public relations practitioner. He adds, "In fact, there is probably no other function that management pays for about which it feels

¹⁸David Finn, *Public Relations and Management* (New York: Reinhold Publishing Co., 1960), p. 2.

so defensive."¹⁹ W. Howard Chase, one of the founders of the Public Relations Society of America (PRSA), states:

The new breed of professional managers finds the conventional public relations pattern unsystematic and nonstructural in the frame of reference in which they are trained.²⁰

It is not only management that is confused about the definition of public relations; the profession's society, PRSA, has had some difficulty agreeing on a definition. For the past fifteen years, PRSA had wanted to produce a film that would explain public relations. The delay was caused by members' inability to agree on just what public relations was. A film, "Opinion of the Public," was finally produced in November, 1972. The producer, Ralph Weisninger, conducted more than forty interviews. Afterward he said,

I never did come to a conclusion as to what public relations is. It is something different for everybody. For the corporate public relations man, it is one thing; for his chief executive, something else.²¹

¹⁹Leonard N. Daniels, "PR Gestalten: A System for Quantifying Public Relations Output for Managers," *Public Relations Journal*, January, 1972, p. 8.

²⁰*Ibid.*

²¹Philip H. Dougherty, "Advertising Film Assays PR," *New York Times*, Nov. 22, 1972, p. 46.

Causes for the Gap

Public relations has become a common term in the language and thought of twentieth century America. Cutlip agrees that the term, although widely used, isn't always understood. He concludes, "This reflects the fact that public relations is still in the fluid state of defining itself."²² It is easier to understand, therefore, that a gap does exist between management's perspective of the function of public relations and the practitioner's.

What caused this gap, and has it always existed? If the latter is true, it seems unlikely that public relations could have achieved the status and recognition it enjoys today. Surely, the early employers of public relations understood and conceptualized the value it had to offer. Otherwise, how could practitioners such as Ivy Lee play such a prominent role in influencing corporate policy? To understand more fully the current status of public relations, it is necessary to examine the causes for the division.

There are some who attribute the cause for the division to the difference between the managerial mind and the practitioner mind. Frank Riggs recently wrote in

²²Scott M. Cutlip and Allen H. Center, *Effective Public Relations*, p. 1.

Association Management, "There is a public relations mind that is somehow different from the managerial mind."²³ Riggs characterizes the managerial mind as being primarily profit-oriented; that is, concerned with the effective use of men, money, and materials. This kind of thinking, Riggs believes, results in management's preoccupation with the daily flow of business. Therefore, they tend to be very concerned with classifying. The public relations mind, on the other hand, he points out, is more opinion and people-oriented. "It is a mind," he states, "trained to be less interested in facts than in how facts appear--a mind that is comfortable with the subjective and indistinct."²⁴

Similarly, Earl Newsom noted as early as 1958,

We must constantly remember that the point of view we bring is somewhat foreign to traditional patterns of American management. They are used to thinking in tangible terms. Public relations tends to move in a world of ideas and human reaction, convictions and beliefs.

He further adds, "Our bosses may give us credit for being bright but carry around with them the feeling that our judgments should be checked by sound people."²⁵

²³Frank L. Riggs, "How the Managerial Mind and the PR Mind Can Work Together and Get the Job Done," *Association Management*, March, 1973, p. 41.

²⁴*Ibid.*, p. 42.

²⁵Earl Newsom, "The Care and Feeding of Bosses," *Public Relations Journal*, February, 1958, p. 6.

Another cause of the division is that too often public relations is viewed as a panacea or magic formula. Cutlip agrees that "The practice is frequently held out as a cure-all for the ills and problems which confront organizations and individuals."²⁶ In many instances, management fails to realize that it can't expect miracles from its counselors, and many public relations problems which existed before the practitioner appeared on the scene will continue to exist no matter how well he does his job.

Sometimes I feel that people expect too much from public relations. It is not a cure-all for all of the problems that beset business. It is only one of the activities that contribute to the solution of certain problems.

So stated J. Carroll Bateman, President of the Insurance Information Institute.²⁷

A third cause--and one which is closely related--centers around the situations which prompt management to begin thinking about public relations. Sometimes the reasons are deceptive, and management plunges into public relations for the wrong reason at the wrong time. Some months later, management is left with the conviction that it is worthless. Most mistakes are made when the power

²⁶Scott M. Cutlip and Allen H. Center, *Effective Public Relations*, p. 1.

²⁷Irving S. Kogan, *Public Relations* (New York: Alexander Hamilton Institute, 1970), p. 10.

of public relations is thought to be greater than it is, or a program is undertaken as a cure for a corporate ailment which should instead be dealt with by basic management action.

Still another cause for the gap is often management's refusal to accept the concept of gatekeeper as it applies to the news media. This is because the tools management employs are controlled in a direct way, which is contrary to the gatekeeper concept of mass communications.²⁹ For example, management determines what content goes into advertising and promotional materials. It also controls the mix of its selling tools. In contrast, public relations' parameters can rarely be described with such concrete data. While the practitioner can make use of the data that describe the market, the means by which he reaches the consumer are not nearly so precise. He cannot predict how his output will be carried. He may have no information as to how effective the publicity content of a newspaper, magazine, radio, or television station will be reaching the target audience or the effect which competing media will have on his potential audience. Perhaps the most striking difference is in the control public relations has over its messages.

²⁸J. C. Merrill and R. L. Lowenstein, *Media, Messages and Men* (New York: David C. McKay and Co., 1971), pp. 228-41.

That which practitioners grasp fully is difficult for management to understand and accept. It is that publicity must first appeal to some sort of intermediary or gatekeeper. Typically, this is the reporter or editor who presides over the editorial content of the information media.

One other contributing cause of the gap is the practitioner's inability or refusal to learn more about the industry employing him. Consequently, his failure to understand the problems of business prevents him from communicating with management on the executive level. Richard W. Darrow, President of Hill and Knowlton, Inc., provides some insight into this problem:

Back a few years, a study of management attitudes indicated many corporate executives were quite critical of those public relations people who failed to dig deeply into the actual problems of business. The executives indicated they encountered too much that was publicity-oriented, and too little aimed at sharing and solving the problems of management. I'm not sure the gap has been closed in recent years. A study today would probably still show some public relations people caterwauling around in high complaint and cries of unacceptance oblivious of the need to merit management's respect by a devotion to practicality and by demonstrating how public relations can help management do a more effective job for its stockholders.²⁹

One major cause of this matter of superficiality has been overlooked for many years, but recently is being

²⁹Daniel J. Forrestal, "Align PR to Management Needs," *Public Relations Journal*, October, 1971, p. 40.

discussed more frequently. The field of public relations is becoming more complicated. The time has come that a background in journalism alone is not sufficient to perform the tasks required of the practitioner. The field is too complicated for one man to handle it all. Currently, more job titles are reflecting this change. Many practitioners now hold the title of communications director instead of public relations director. Not many practitioners, however, are attempting to learn about business practices. Kenneth Kramer, managing editor of *Business Week*, believes that too many public relations people have too little grasp of economics or business as practiced. He states,

They never really understand and put the pieces together of what goes on in a corporation. They should have a grasp of economics, managerial tools and some understanding of personnel relations.³⁰

Kramer feels that as a result of this lack of business knowledge, the general run of corporation executives don't think they need public relations counseling when top-level policies are planned.

Another effect of this lack of a business-oriented background has been the creation of a language barrier. This barrier seems to have placed the practitioner in a

³⁰G. H. Brandenburg, "PR: A Top-Level Function in Corporate Management," *Editor and Publisher*, Nov. 12, 1960, p. 15.

position of observer rather than participant. Len Daniels explains it this way:

In an age of communications problems in many fields, public relations seems to have misplaced its link to management. In an effort to keep up with vast societal changes, public relations has, by and large, neglected to relate itself to new developments affecting national and international organizations. As a result, while major employers of public relations personnel have moved toward a new sophistication in organizing operational complexities with the aid of computers, mathematical models, and other decision-assisting mechanisms, public relations has remained outside the pattern. Hence, the gap between the language public relations speaks and what management hears is perhaps wider than it has ever been.³¹

As Daniels states, it is easy to conceive of decision-makers in production, administration, marketing, purchasing, and traffic communicating on a daily basis in what might easily be termed computer talk, which is nearly all composed of coded data. It isn't inconceivable or unreasonable that these people should expect their public relations people to speak the same language. However, there seems to be far too much cynicism on the part of practitioners toward technical jargon which causes resentment by top management to the point where they may ignore the public relations department when meeting to discuss production and financial matters. For this reason, many an opportunity is often lost to

³¹Leonard N. Daniels, "PR Gestalten: A System for Quantifying Public Relations Output for Managers," p. 8.

integrate public relations into the organization, to upgrade it in management's eyes, and to assert its expertise. Susan Wells, public relations director for Rancho Bernardo, a wealthy retirement community in San Diego, has lost many an opportunity for just this reason. She explains, "Management views public relations as simply a news release center." She is permitted no more than fifteen minutes to meet with top management at weekly staff meetings. "Obviously," she adds, "public relations doesn't play a major role in management decisions."³² Management expects public relations to translate computer cant into plain language. And he who has no ear for computerized technological jargon can hardly translate it.

Closely related to this problem of language barrier is the practitioner's difficulty in providing management with easy-to-read measuring devices. Some will reason that public relations hasn't had the money to devote to research to evolve definitive answers on costs and measurement. Others will argue that the practice of public relations lacks a systematic means of conveying its knowledge because it is based largely on individual experience. Regardless of the validity of these

³²Susan Wells, Public Relations Manager, Rancho Bernardo, private interview held in San Diego, Calif., July 13, 1973. (See Chapter III, p. 38.)

arguments, the problem is not diminished: public relations is unable to translate its value in terms that management can understand. Management becomes uneasy, and understandably so, when it tries to relate the dollars spent on public relations with its achievements. The practitioner does not provide the justification for his activities in terms that management really appreciates such as return on investment, share of market, contribution to sales, and so forth. It is generally admitted by practitioners that no real sign of a systematic approach to the practice of public relations has yet appeared. Robert Townsend's best seller *Up the Organization* has probably influenced countless top executives with his recommendation to "fire the whole public relations department." If his public relations staff had understood the necessity of furnishing feedback in terms that Townsend could comprehend, he may not have concluded that "the professional public relations operation is as dead as the buttonhook industry." He evaluated his staff as being "embarrassingly uninformed about the company's plans and objectives."³³ Clearly, someone failed to keep management properly informed.

Public relations practitioners have on the whole

³³Robert Townsend, *Up the Organization* (Greenwich: Conn.: Fawcett Publications, Inc., 1970), p. 130.

done a poor job of evaluating and reporting on their services to management. The most common reason appears to be a lack of knowledge. Many practitioners simply don't know how to go about evaluating and reporting a completed job. A second reason--one which is closely related to the first--is that so few people have performed evaluating and reporting jobs on their work, or made results known professionally. Consequently, no established pattern has been developed to guide the inexperienced or hesitant practitioner in reporting. A third reason is that many suffer from an inferiority complex, feeling that public relations is not among the functions considered important by management. As a result, they feel that the chief executive is not interested in a report, except to determine if what they are doing is worth what they are being paid.

It is interesting to note that this inferiority complex is very widespread throughout the public relations field and undoubtedly is another cause for the existing gap. Throughout the world of practitioners, there exists a common feeling that their status is insufficient. Again and again, practitioners wishfully liken themselves to lawyers. *Public Relations Quarterly* recently reported on a survey of how public relations practitioners view themselves and their field. It found

that the public relations professional thinks of himself as a second-class professional citizen, and has one of the worst inferiority complexes ever recorded among the professional ranks. A four-page questionnaire sent to some 800 practitioners revealed the following information. Practitioners rated themselves at the bottom of a list of nine professions. They think more of their work and profession than they think those outside the profession do. Those who thought public relations did not have a good image totaled eighty-four per cent. A seemingly incredible ninety-eight per cent felt that most people do not understand what public relations is. In addition, the survey showed that seventy-eight per cent believed they were not being given as much respect as members of other professions. When asked "What is the best way to characterize public relations work?" thirty-one per cent called it a profession, twenty-three per cent a craft, thirty-six per cent a business, and ten per cent an art.³⁴

Surely, the fault for the gap is not solely the practitioner's. Aside from the problem of management's selecting public relations for the wrong reason, as discussed earlier, there are several areas of criticism the practitioner levels at management. First, he contends

³⁴ Art Stevens, "PRQ Poll," *Public Relations Quarterly*, Summer, 1972, p. 3.

that management refuses to accept that a free flow of information from the chief executive to public relations is essential. Second, management tends to regard press relations, publicity, and public relations as synonymous. Finally, management cannot accept that public relations has a vital role in influencing policy-making. Viewed from the practitioner's perspective, such criticism seems fair. But it can be readily seen also that such criticism may be a consequence of the gap. Regardless, management does have a clear-cut responsibility to public relations. Anthony De Lorenzo, Public Relations Vice-president for General Motors, believes that

. . . a company's reputation is primarily the responsibility of those directing company affairs. It is part of their trust, and they are just as accountable for their company's good will as they are for its other assets.³⁵

The Status of Public Relations

It is apparent that a gap exists. The next area of concern is to what extent within the corporate structure does this division affect the status or role of the practitioner. To arrive at any conclusion involves examining the practitioner's definition of his role. Then determine whether he meets his own criteria. The practitioner realizes that it is not his job to tell

³⁵Irving J. Kogan, *Public Relations*, p. 15.

management how to run the business. PRSA's definition bears this out. It defines his role as:

. . . working to assess and evaluate opinions held by one or more of the clients, and interpreting findings for management. The consultant then assists management in formulating plans to change or improve public opinion. A public relations counsel is a partner to management, never a substitute.³⁶

This definition is in agreement with De Lorenzo's covered earlier. Yet, the statement "assists management in formulating plans" requires examination.

In all companies, it is the president who is the chief public relations officer. Morals and morale are in his care. If he chooses to work with the public relations director, then the director's role is doubly valuable in formulating policy. But often, the public relations director is management's agent, implementing policy rather than adding to it. The decisions are made by business experts at the top level of management, and the public relations team is called in afterward to enact them. The situation is a common source of criticism of management by practitioners. Too often management thinks that public relations starts after decisions are made and consists of going out and making people like what has been done. One of the many reasons why this occurs stems from the common sense approach to public relations plus

³⁶*Ibid.*, p. 281.

the practitioner's inability to adequately support his opinions over another's. Any chief executive can reject a recommendation from a public relations director with a conviction that his opinion is as good as the director's, particularly if the recommendation is not strongly backed by technological or financial data, which is often the case. Frequently, management is in a better position to determine opinion than the practitioner because of easy access to opinion leaders. Scott Cutlip urges the use of opinion research methods in public relations. If conducted regularly by the practitioner, he might increase the number of times his opinion is accepted. Cutlip concedes that "too frequently, no one thinks of a poll until an emergency develops."³⁷

Oftentimes, articles and publications are written which are intended to educate management on the necessity for employing and maintaining public relations counsel. Some writers try to assure management that public relations practitioners, if employed, will not usurp any of their power or authority. As a result, statements similar to the following by Irving Kogan occur:

It is not enough to employ a competent public relations staff and hope for the best; management must manage the public relations activity. With

³⁷Scott M. Cutlip and Allen H. Center, *Effective Public Relations*, p. 126.

direction from higher up, the public relations man functions just as any other consultant; that is, he advises, counsels, even executes approved programs. But he leaves the ultimate decisions to top operating executives.³⁸

As an agent, the practitioner is given his assignment and expected to enact his segment of the plan. It is often too late for him to introduce changes at this stage. In contrast, the advertising agency participates in nearly all aspects of product planning, packaging, and marketing, and is therefore assigned a higher priority at the management level.

From the foregoing, it appears that the public relations practitioner's status is somewhat limited; that is, he has access to management but not when policy is being made. By failing to gain entrance to the boardroom, he is not considered a member of the top management team. This was generally the case during the fifties and sixties. However, this situation is now changing. There are trends developing in the seventies which indicate the practitioner's role is being elevated in the corporate organization.

A significant factor which has limited the practitioner's status has been the state of the economy. The widespread corporate budget cuts of 1970 and 1971

³⁸Irvin J. Kogan, *Public Relations*, p. 16.

resulted in many public relations people being squeezed out of a job. Currently, after three years of job insecurity, these people are returning and surpassing previous job levels. A recent article in the *Wall Street Journal* stated:

. . . with the recent profits rebound, companies are pumping more money into public relations budgets. Jobs are once again plentiful and salaries are the highest in years. . . . Current minimum salaries for people with five years experience have jumped \$4,000 to \$16,000.³⁹

More importantly--and a factor which may override the profit-loss ratio as a determinant of the status of public relations--is that the job involves more than it used to. The communications department of American Can Company is fairly typical of this trend. Besides maintaining a staff composed of the traditional areas of financial public relations, it includes people assigned to consumer affairs, the environment, public affairs, shareholder relations, and employee relations. One reason for the expanding role of the practitioner is that many major corporations are consolidating what have traditionally been diverse, disjointed, and even competitive communications activities and functions. For example, advertising, public relations, and publicity are being centralized into one corporate communications function

³⁹Pamela G. Hollie, "The Public Relations Business Picks Up," *Wall Street Journal*, May 17, 1973, p. 38.

under the direction of the public relations practitioner. One reason for this is that corporate brass want practitioners to approve advertising claims in the face of rising consumerism and government regulations. General Motors, for example, has its vice-president for public relations taking an active role in the development of advertising campaigns.⁴⁰ A survey conducted by the *Public Relations Journal* in 1972 confirms this trend. It revealed that ninety-five per cent of corporate public relations departments are involved in corporate advertising campaigns, and nearly seventy-two per cent reported that their departments originated the concepts for advertising.⁴¹

It is apparent that the practitioner's status in the business community is on the rise. He seems to be enjoying greater responsibilities and a wider latitude of authority since management considers public relations less of a frill. Furthermore, management's increasing awareness of the need for public relations is ensuring its continuity as a member of the management team not to be discarded when profits dip. This awareness by

⁴⁰John Cook, "Consolidating the Communications Function," *Public Relations Journal*, August, 1973, p. 6.

⁴¹"Are Public Relations Executives Becoming More Involved with Corporate Advertising?" *Public Relations Journal*, November, 1972, p. 24.

management is probably the single most important development in the recent history of public relations.

CHAPTER III

INTERVIEWS WITH FIVE PUBLIC RELATIONS PRACTITIONERS

Introduction

The following information was obtained by interviewing five public relations practitioners. The purpose of the interviews was to verify the information contained in Chapter II which relates to the practitioner's self-image within the corporate structure, his perspective of management's concept of public relations, and the methods he employs to communicate with management.

The interviews were conducted with five practitioners, each having more than five years practical experience in public relations. Furthermore, the interviews were structured to ensure similar responses. The questions were designed to determine the practitioner's relationship with management. The respondents were requested to limit replies to their experience within their companies. The purpose for this request was to prevent the practitioner from providing information based on past experience with other companies or hearsay obtained from his peers.

Background

Four of the practitioners interviewed are employed in San Diego; the fifth, in Los Angeles. The interviewees represent a cross section of businesses large enough to employ full-time public relations staffs. Those interviewed are employed by companies representing the following fields: public utilities, entertainment, consumer goods, industrial hardware, and housing. The following is background information concerning the public relations practitioner interviewed and the company employing him.

Payne Johnson (Solar)

Payne Johnson holds the title communications manager. He is responsible for all internal and external communications. His scope of responsibility is very broad and includes such tasks as selecting the color of the paint for the company's building, directing the mail service, distribution of all office supplies, and coordinating all printing. To perform all tasks assigned to him, Johnson has a staff of seventy-five people. He has been employed by the company for nine years. Concerning matters routine in nature, he reports to the director of administration, who in turn reports to the company president. During a crisis, Johnson reports

directly to the president. Johnson is employed by Solar, a division of the International Harvester Company. Solar is forty-five years old and a world leader in small industrial gas turbine engines used to power compressors, generators, and pumps. The company had annual sales of \$125 million for 1972. Fifty per cent of its products are sold outside the United States. The company is located in San Diego and employs 3,000 people.

Gail Stoorza (AVCO Community
Developers)

Gail Stoorza's title is director of communications. She is responsible for consumer, employee, and financial relations. Stoorza's staff is very small (herself and one secretary) in comparison to others interviewed. She is a member of the staff of a large conglomerate. In this capacity, her duties also include monitoring public relations programs implemented by public relations directors of the company's subsidiaries. On routine matters, Stoorza reports to the president and executive vice-president. During times of crisis, she reports to the same people. Stoorza is employed by AVCO Community Developers which is located in La Jolla, California.

Dennis Richter (San Diego Gas
and Electric Company)

Dennis Richter's title is public relations director. He is responsible for all internal and external public relations programs. In addition, he works closely with advertising which is a separate department. Excluding secretaries, the public relations department consists of eight people. Before January, 1973, Richter reported to the vice-president of marketing. He now reports to the senior vice-president. No formal lines of organization exist, and he has easy accessibility to the president in matters directly related to himself or policy. Richter is employed by the San Diego Gas and Electric Company (SDG&E). The company serves San Diego County and portions of Orange County. With no competition in its field, the company conducts public relations primarily as a means of maintaining or enhancing a community profile. The company operated with a net income of \$24 million for 1972.

Bill Seaton (Sea World)

Bill Seaton holds the position of public relations director. His responsibilities include internal and external relations. His primary task is to obtain favorable publicity of a promotional nature. Advertising is handled separately by the marketing department through

an outside agency. Seaton operates with a staff of seven people. He reports directly to the vice-president of marketing on routine matters and to the president in times of crisis. Seaton has been with the company two years. He is employed by Sea World, Inc., which owns and operates three aquatic parks located in San Diego, California, Cleveland, Ohio, and Orlando, Florida. The company is ten years old and originated in San Diego. It is a major tourist attraction in San Diego and shows signs of continued growth and expansion, as illustrated by the opening of its new park in Orlando in 1973.

George Wilkins (Carnation Company)

George Wilkins is supervisor of public relations. His department is responsible for all internal and external relations. The primary task of the department is to obtain favorable publicity which supports the many and varied company products. In developing public relations programs for each of the company's products, Wilkins works closely with the product managers. He works with only executive management on matters of a corporate nature and during times of crisis. In such instances, Wilkins reports to the senior vice-president. Wilkins is employed by the Carnation Company and has been with the firm twelve years. Carnation manufactures and produces

a wide variety of food products, including such items as nonfat dry milk, instant breakfast products, dairy products, and pet foods. The company has plants dispersed throughout the world. In 1972, its net sales were \$1.2 billion.

Findings

Each question stated is followed by all the interviewees' responses to that particular question:

Question 1

Do you feel management has an understanding of the myriad details involved in obtaining necessary publicity?

a. Johnson: "No. It is important that the practitioner educate management that publicity cannot be controlled."

b. Stoorza: "Yes. Since public relations is an integral function of management, there is a clear understanding by management of the complexities involved in acquiring publicity."¹

c. Richter: "Management doesn't understand the function of the press in America. For example, management believes that the media should not carry false statements by personalities. Such an incident occurred in San Diego when Ralph Nader attacked nuclear power plants as being unsafe. Management felt that since Nader's statements were inaccurate, the news media should not have reported them. Management failed to understand the libertarian concept of the press which maintains the public is

¹It was pointed out during the interview that management traditionally does not actively seek publicity. Therefore, the affirmative response may easily be that few demands are placed on the practitioner to generate publicity.

intelligent enough to recognize truth from fiction. Instead, management feels that the media should be a booster of the community. In public relations matters relating to this area, they tend to be very thin-skinned."

d. Seaton: "Management has a fairly good understanding of the gatekeeper concept of mass media. They know that public relations is able to attain extensive publicity because of business's position within the community. In addition, management sees the need to maintain good press relations."

e. Wilkins: "It is difficult for top management to truly understand. However, there is no real need for them to have an intricate working knowledge of such details. Public relations does utilize an elaborate mass media presentation to educate management on what and how programs are carried out. The primary purpose of this presentation is not so much to educate as it is to obtain approval for the annual budget."

Question 2

How do you demonstrate to management the effectiveness of your public relations programs?

a. Johnson: "To be effective, the practitioner must merchandise his efforts to management. For example, when a leading industrial publication uses a Solar photograph depicting the company's product, that magazine is shown to management. Other means include the use of slide presentations in making reports to management. Such reports are presented on a quarterly basis. Above all, any feedback to management must be done in executive language; that is, the practitioner needs to communicate to management in terms that management understands best. He must be able to demonstrate that his efforts are directly related to supporting sales."

b. Stoorza: "Public relations effectiveness is not measurable in terms that management can understand. Since top management consists of people with financial and legal backgrounds, they seem to believe that public relations is intangible and cannot be measured."

c. Richter: "One means involves the use of selected newspaper and magazine clippings forwarded to management on a regular basis. However, the basic means of accomplishing this task is by way of surveys. An annual survey conducted at a cost of \$18,000 provides information on opinion and attitude changes. The survey is representative of the geographical area covered by the company. In addition to identifying potential problems, the survey provides an excellent means of demonstrating effective public relations campaigns by comparing opinion and attitude changes over a period of years. If the situation warrants, other studies and surveys are conducted in selected areas of the county."

d. Seaton: "This is accomplished in three ways: first, by reporting to our park operations committee at weekly meetings (the meetings are attended by middle-management rather than top management); second, by circulating newspaper and magazine clippings. There just aren't many other tangible means available. Third, by means of a multimedia presentation conducted annually at budget review time. The presentation includes a review of the past year as well as projections for the forthcoming year."²

e. Wilkins: "Mainly by providing facts and figures on the number of people reached for each product and a breakdown of the money spent for each program. All reports are prepared with one factor in mind: to convince management that each program conducted supports the product it is intended to support."

Question 3

Does management expect too much from public relations?

²An interesting and innovative means of demonstrating effectiveness in obtaining television coverage of public relations programs is also included in the presentation. Seaton obtains newsreel footage of the past year from a local television station, splices it together, and shows it. Since management rarely views television news, Seaton feels this has an overwhelming impact.

a. Johnson: "Management doesn't see public relations as being very effective. It can be used more effectively than they realize."

b. Stoorza: "No. Management doesn't expect enough from public relations."

c. Richter: "Too often the lead time set to develop a program and implement it is unreasonable. Management doesn't understand what it takes to research a program and then have it approved prior to implementing it."

d. Seaton: "No. Public relations can do much more for management. However, there is much that goes undone because the public relations director often does not have access to management prior to decisions being made."

e. Wilkins: "Management doesn't expect enough. The fault probably lies with public relations. Growing social demands require more deep draft input from public relations to management in regard to future policy and programs."

Question 4

What are some of your major criticisms of management?

a. Johnson: "I have none. If management misunderstands public relations, it is my own fault. It is my responsibility to ensure that top management understands the functions of public relations and all that it can do for the company."

b. Stoorza: "My major criticism is that management does not keep public relations well enough informed. Too many external problems, such as Ralph Nader's criticism of the building industry, cause management to want to keep information close to the chest. They tend to mistrust public relations in this regard and will therefore ignore us. This problem is closely related to management's reluctance to discuss bad or negative news."

c. Richter: "Management is too mechanical. As a result, many public relations programs that have been in existence over a period of years will not be cut or done away with simply because they were successful when implemented. The problem which may have caused their implementation may no longer exist or be significant enough to warrant the expenditure of funds and manpower required to maintain the public relations program, but management refuses to do away with them. Consequently, the public relations staff is stretched out beyond its capabilities, attempting to solve new problems having a much higher priority. A good example is the money and manpower expended on tours by students of the nuclear power plant, which might better be used elsewhere at a time when we are facing opposition to future expansion of nuclear power plants. A second criticism is that management is too concerned with solving short-range problems instead of long-range ones. When public relations personnel begin to complain too much, they better take a good look at themselves and start thinking like management."

d. Seaton: "First, public relations is not brought in on enough of the major decisions. We find ourselves being brought in after policy has been set. Second, public relations is forced to operate without sufficient personnel.³ Third, salaries are lower than they should be.⁴ Fourth, management doesn't view public relations as a valid profession."

e. Wilkins: "Public relations is not brought in as an advisor at the policy level. This is probably because public relations hasn't proven itself able to contribute. Another reason could be that there just aren't that many policy decisions made that require the public relations director's advice. After all, what public relations ramifications are there in building a new plant, or introducing a new product?"

³Seaton implied during the interview that as management is made more aware of what public relations can do for it, management tends to hire additional personnel.

⁴It was also pointed out that Sea World is a growing company, and salary increases do occur as the company expands. Yet, in comparison, salaries are somewhat lower than competitive companies.

Question 5

How do you rate public relations as a profession?

a. Johnson: "As a profession, public relations should be ranked very low. I attribute this to the fault of the practitioner. He fails to understand what management needs and is therefore unable to make significant contributions to the company's growth."

b. Stoorza: "Public relations is growing more in stature primarily due to the efforts of the Public Relations Society of America. Additionally, the state of the country seems to be demanding that public relations be included more in the daily operations of government and business. Social pressures, such as consumerism, seem to indicate a need for competent public relations practitioners."

c. Richter: "Public relations is not a profession. Practitioners and counselors too often don't have anything significant to contribute to management."

d. Seaton: "It is definitely a profession. However, too many nonprofessionals in the business tend to dilute the profession. A man who knows the business is a professional."

e. Wilkins: "Public relations is not truly a profession. It lacks the body of knowledge that can be found in a profession. There just isn't enough substance there to warrant calling it a profession."

Question 6

Define public relations.

a. Johnson: "I can't define it."

b. Stoorza: "Public relations is helping to create an image with the public of whomever you are working for."

c. Richter: [Richter's definition is identical to his answer to the following question and is recorded there.]

d. Seaton: "Doing something and getting credit for it."

e. Wilkins: "I can't define it. Most definitions do not contain enough of a reference to 'public interest' which gives public relations a morality that is essential to any profession."

Question 7

What does the term "public relations is a function of management" mean to you?

a. Johnson: "Helping to guide and plan the company's policies internally and externally as they relate to communications."

b. Stoorza: "The term means that public relations is on the same level as any other function of management such as accounting, law, or personnel; in other words, having an open door to top management."

c. Richter: "Public relations has only four things to do. The first and second are functions of management, and the third and fourth are not. First, public relations should advise management on the implications of their practices and policies. Second, advise management on the implications of their practices and policies in relation to public opinion. Third, public relations should institute programs to eliminate disparities which exist in one and two above. Fourth, public relations should measure its effectiveness."

d. Seaton: "The term means that public relations is a supporting arm of management at the executive level."

e. Wilkins: "The chief executive officer of the company is the chief public relations person; that is, he is responsible for public relations."

Question 8

Would public relations activities be curtailed

during an economic recession? If so, at what point and to what degree?

a. Johnson: "During the recession experienced in 1970 and 1971, there was a ten per cent cutback in personnel and budget. A similar reduction would probably occur in the future if necessary."

b. Stoorza: "Public relations doesn't suffer any more than any other part of the company. Regardless of how bad things may get during a recession, management will not eliminate the function because federal regulations require that financial reports be written at all times."

c. Richter: "Utility presidents are way ahead of other presidents in business with regard to public relations. Public relations is understood and practiced to a finer degree than in other corporations. Therefore, financial recessions do not affect public relations."

d. Seaton: "I don't think so. The company has experienced financial difficulties in the past without implementing cutbacks. Usually, expansion plans are cut rather than existing personnel."

e. Wilkins: "The company has never experienced a bad year financially. Therefore, I am unable to say."

Question 9

Have there been any specific social changes during this decade, such as consumerism or the ecology movement, that have resulted in an increase in public relations expenditures and awareness by management?

a. Johnson: "Primarily minority relations, followed closely by the labor movement and the energy crisis."

b. Stoorza: "All of the social changes occurring in the seventies have had a tremendous impact on

public relations. The company has spent more in fees for outside public relations counseling in the past few months than it has for the entire preceding year's public relations budget."

c. Richter: "The current energy crisis has certainly caused a shift in public relations programs, but not necessarily a greater awareness of public relations by management."

d. Seaton: "Quite possibly urban sprawl, which tends to influence the company's expansion plans. The ecology movement has made the public more aware of marine life and its fragile existence."

e. Wilkins: "There has been an increase in programs dealing with ethnic matters. Consumerism, FTC, and advertising regulations have been felt, but not significantly by public relations."

Summary

As the information in Chapter II indicated, there is considerable disagreement among those interviewed. However, most agree that management does not understand what is involved in obtaining publicity. Yet, many practitioners rely on the system of circulating newspaper and magazine clippings to management to demonstrate the effectiveness of public relations. Other practitioners see the need of communicating to management in terms that management understands. Conversely, there are those practitioners who maintain that public relations is intangible and cannot be translated into terms which management will understand.

All interviewees agreed that management does not expect enough from public relations. This seems to be an

indication that management does not fully comprehend the nature of public relations and value to business. This lack of understanding may be related to the practitioners' inability to agree on a common definition of public relations. If it is true that management does not understand what public relations is, then the practitioner's major criticism in the interview--that he does not have access to management at the policy-making level--is understandable.

Interestingly, most practitioners do not view public relations as a profession. Some maintain this is the fault of the practitioner. Still others affirm that public relations does not meet the criteria of a profession; i.e., it lacks an organized body of knowledge.

Regardless of whether management fully understands public relations or practitioners are unable to agree on a common definition, one overriding factor is having a tremendous influence on public relations: social changes are creating pressures on business which are making management more aware of the need for maintaining an ongoing public relations program. All interviewees agree that these changes have caused an increase in public relations expenditures and personnel. As a result, public relations is too much a part of business to be affected by future economic recessions.

CHAPTER IV

SURVEY OF MANAGEMENT VIEWPOINTS

Introduction

The information contained in this chapter was obtained by means of a survey, designed to determine management's concept of public relations. To accomplish this objective, the survey was mailed to the presidents, chief executives, and chairmen of sixty major companies in San Diego County. The list of major employers was compiled from the *Business Directory of San Diego County*, published and distributed by the San Diego Chamber of Commerce. The companies varied greatly in size. The largest company employs more than 10,000 people, and the smallest approximately 100. Of the sixty surveys distributed, thirty were returned.

Method

To determine the relationship between the public relations practitioner and management, eleven questions were asked.¹

¹Tabulation of the survey results is located on p. 63.

Question 1

To whom does the public relations director report concerning matters of a routine nature?

Since the businesses surveyed were diversified, the titles of their officers varied somewhat. For purposes of clarity, the officers are grouped into three categories denoting three descending levels of top management: the first (and top level) is president, which includes general and regional managers; the next level is the senior vice-president; the third level of top management is grouped under the title of vice-president for marketing and includes vice-presidents for operations, sales, merchandising, and administration. The data collected indicate that fifty-seven per cent of the public relations directors report directly to the company president on matters of a routine nature. Only three per cent report to the senior vice-president and forty per cent to the lower echelon vice-presidential level.

Question 2

To whom does the practitioner report in times of crisis?

The survey results reveal that in a crisis situation, seventy-six per cent of the practitioners

report directly to the president and twenty-four per cent report to the vice-president at the third echelon. It appears the senior vice-president is bypassed altogether during crisis periods.

Question 3

How does the practitioner fit into the organizational structure?

Fifty per cent stated that he is a staff member on the second level of management. A clear indication that the public relations practitioner's position in the corporate structure is rising is the thirty-three per cent response stating that the practitioner holds the position of vice-president. Only three per cent reported that they relied solely on outside counseling; fourteen per cent had no response to the question.

Question 4

A possible explanation for management's elevation of the practitioner's position is the reply given to the question, "Is the function of public relations growing in your business?"

Eighty per cent answered in the affirmative. Twenty per cent of this figure qualified their answers: half stating the function is growing slowly, and the other half affirming a rapid growth. As many as twenty

per cent believe the function of public relations is either remaining the same or declining.

Question 5

The survey also sought to determine the extent of management's commitment in implementing a public relations program. More specifically, is management only paying lip service to public relations by assigning the task to another department as a collateral duty?

When asked if public relations is administered by a separate department, seventy per cent responded in the affirmative and thirty per cent in the negative. Some of those responding in the negative assigned the task of public relations to either the marketing or personnel department.

Question 6

Does the practitioner participate in forming general policy, and does he have access to management policy discussions?

Forty-three per cent replied yes, thirty per cent said no, and twenty-seven per cent replied: only on matters relating directly to public relations. An interesting observation can be found by comparing this information with the following question and the resulting answers.

Question 7

On the surface, the question "How effective do you feel public relations is in achieving its goals?" produced very little information.

Thirty per cent believe public relations is very effective; forty per cent judge it to be satisfactory; thirteen per cent consider it less than adequate; seven per cent could not answer the question; and ten per cent did not answer. Closer examination of the two preceding questions reveals that of the forty-three per cent permitting the practitioner to make an input to corporate policy, sixty-nine per cent evaluate public relations as being very effective compared to eight per cent who felt public relations is less than adequate. Of the thirty per cent group prohibiting the practitioner from making a contribution to corporate policy, none consider public relations as being very effective; forty-five per cent viewed it as satisfactory and thirty-three per cent, less than adequate. Further analysis reveals that the twenty-seven per cent permitting the practitioner partial access to policy decision is divided into two groups: sixty-two per cent rating public relations as satisfactory; and thirty-two per cent as very effective. There was not one in this latter group who viewed public relations as less than adequate. The survey results indicate that when

practitioners have the opportunity to participate in the formulation of policy, management has a tendency to develop a greater appreciation for public relations. Under such circumstances, management tends to evaluate public relations as being very effective. This may be due in part to the fact that both management and the practitioner plan and develop programs together, thereby providing management an opportunity to better understand some of the mechanics of public relations.

Question 8

The survey results also indicate that the public relations director's range of responsibility is significant within his area of operations. Of those queried, sixty-seven per cent stated that the public relations director, either independently or working in concert with top management policy committees, is responsible for setting public relations goals.

George A. Scott, Chairman and Chief Executive Officer for Walker Scott, a southern California department chain store, seems to reflect the majority opinion of those surveyed. He states,

I believe the public relations function begins at the top of every organization, not in some department. I believe that the leader of a company should be alert and working at public relations in his decisions and actions.

Only ten per cent of the respondents believe public relations goals should be set by the president alone. A corresponding thirteen per cent indicated the vice-president for sales and marketing is responsible for setting the company's public relations goals. Ten per cent did not respond to the question.

Question 9

In comparing the following information to that gathered in Chapter III, a disparity seems to exist. When asked how the public relations department spent the bulk of its time, fifty-three per cent responded, "pursuing established objectives"; twenty per cent replied, "reacting to outside pressures"; twenty-four per cent estimated the time to be evenly spent between the two; and three per cent did not answer.

From this information, it appears management generally believes public relations is not a reaction-type operation. When the public relations practitioners interviewed in Chapter III were asked the same question, three said the bulk of their time was spent reacting to outside pressures rather than pursuing established objectives, one estimated his time was evenly divided and another calculated that sixty per cent of his time was used pursuing established objectives versus forty per cent reacting. One possible explanation why the majority

of the practitioners judge their tasks to be defensive is that they do not consider the programs which management wants implemented as being valid public relations programs. And since the practitioner is obliged to do as management wants, he believes he is reacting to outside pressures and not pursuing objectives established by himself.

Question 10

The respondents seem to view public relations as an ongoing and integral part of business. This point became apparent when they were asked if public relations activities would be curtailed during an economic recession. If so, at what point and to what degree?

A majority of sixty-seven per cent replied that public relations would probably be cut. However, most agreed the cut would be in proportion to cuts in other departments. Furthermore, they all said they would maintain some aspect of public relations rather than eliminate it completely. Some respondents indicated that conditions would have to be extreme before public relations activities would be curtailed. There were twenty per cent who believed public relations would not suffer any cutbacks. Only three per cent did not answer, and ten per cent specified they were unable to answer the question.

Question 11

In attempting to calculate whether management experienced an increased awareness of the need for public relations, the following question was asked. "Have there been any specific social changes during this decade, such as consumerism or the ecology movement, that have resulted in an increase in public relations expenditures and awareness by management?"

A majority of seventy-three per cent answered in the affirmative, citing causes varying from increased government regulations and urban affairs to corporate social responsibility and increased competition. This figure is consistent with a preceding question which asked if the function of public relations was growing. It was reported that eighty per cent said yes. All of the practitioners interviewed in Chapter III responded in the affirmative to the question of increased expenditures and awareness by management due to social changes. Surprisingly, as many as twenty-four per cent of those surveyed did not notice any changes. Only three per cent did not reply to the question.

Summary

In general, the data collected from the survey seem to indicate that the majority of those interviewed

possess a high degree of understanding of the need for public relations as a part of the daily routine of business. Not only is this point reflected by the fact that many practitioners--more than half--have access to top management, but many also hold high positions in the corporate structure.

There does not seem to be any difference of opinion between the practitioner and management as to whom the practitioner reports in a time of crisis. Both agree he should work directly with the chief executive.

Interestingly, management does see a growing need for continued and progressive public relations programs, as evidenced by the fact that eighty per cent admit the function of public relations is growing. Coupling this response to the reply that social changes are causing greater expenditures for public relations, one may conclude that the practitioner's status within the corporate structure is not only secure but also assured of being elevated. Surely this fact was strengthened somewhat by management's reluctance to curtail public relations during periods of economic recession. Even more promising for the practitioner is management's willingness to bring the practitioner into policy-making decisions. As discussed in Chapter II, the omission of the practitioner at this level has been a chronic criticism of management.

Another positive factor which implies a closer working relationship between management and the practitioner is the majority of respondents who reported a combined effort by the two in setting public relations goals.

An area that does not indicate agreement involves evaluating public relations operations as being offensive or defensive. Management's viewpoint is more positive than the practitioner's. Since he is the expert in the field, the practitioner's evaluation presumably is more correct. Therefore, when management states that public relations is offensive, it may be an indication management is content because the practitioner is simply carrying out management's decisions. Such programs may or may not be good for the company but serve only to satisfy management's ego. If this is the case, then quite possibly management's grasp of public relations is not as great as might appear. The question is certainly open for future study.

Overall, the data collected from the survey imply an awareness of public relations by management that seems to be increasing in scope. As pointed out in Chapters II and III, this is a significant factor in favor of the practitioner.

Tabulation

Survey results of top
San Diego management

1. To whom does the public relations director report on routine matters?

President	17 (57%)
Senior vice-president	1 (3%)
Vice-president for marketing	12 (40%)

2. To whom does he report in times of crisis?

President	23 (76%)
Vice-president for marketing	7 (24%)

3. How does he fit into the organizational structure?

Vice-president	10 (33%)
Second level of management	15 (50%)
Outside counselor	1 (3%)
No response	4 (14%)

4. Is the function of public relations growing in your business?

Yes	18 (60%)
a. Slowly	3 (10%)
b. Rapidly	3 (10%)
No	5 (17%)
Remaining the same	1 (3%)

5. Is public relations administered by a separate department?

Yes	21 (70%)
No	9 (30%)

6. Does the public relations director have access to management policy discussions, and does he participate in forming general corporate policy?

Yes	13 (43%)
No	9 (30%)
Sometimes	8 (27%)

7. How effective do you feel public relations is in achieving its goals?

Very effective	9 (30%)
Satisfactory	12 (40%)
Less than adequate	4 (13%)
Unable to answer	2 (7%)
No answer	3 (10%)

8. Who is responsible for setting public relations goals?

President	3 (10%)
Vice-president for marketing	4 (13%)
Public relations director	20 (67%)
No answer	3 (10%)

9. Is the bulk of your public relations department's time spent:

Pursuing established objectives?	15 (53%)
Reacting to outside pressures?	6 (20%)
Evenly spent?	7 (24%)

10. Would public relations activities be curtailed during an economic recession? If so, at what point and to what degree?

Probably	20 (67%)
Probably not	6 (20%)
No answer	1 (3%)
Unable to answer	3 (10%)

11. Have there been any specific social changes during this decade, such as consumerism or the ecology movement, that have resulted in an increase in public relations expenditures and awareness by management?

Yes	22 (73%)
No	7 (24%)
No answer	1 (3%)

CHAPTER V

SUMMARY AND CONCLUSIONS

A Review of the Problem

During the early 1900's, practitioners conducted public relations in a much different fashion from today. Then, counselors advised management to simply tell the truth and be candid. Management had operated behind a veil of secrecy and in such dishonest fashion that the truth, when made available, was welcomed by the public. During the Depression, legislation aimed at relieving some of the social and economic ills also placed hardships on industry. Consequently, management turned to the public relations practitioner for assistance in resisting legislative reforms. It was at this time that public relations took on a broader meaning. Simply advising business to tell the truth was not sufficient to forestall reforms. To accomplish this task, business had to operate more in the public interest.

During World War II and the decade preceding it, the art of opinion polling was refined, with advertising agencies, principally, and public relations practitioners making greater use of it. By the early fifties,

management, advertising executives, and public relations practitioners generally agreed that these scientific forecasters be made an integral part of business practices. Despite the confidence generated by these measuring devices, many often contradicted one another. For example, the television ratings systems, which determined the success or failure of programs, disagreed with each other. As a result, in 1958 Senator A. S. Monroney conducted hearings to investigate the validity of the ratings. His efforts revealed evidence of exaggerated or misleading interpretations of the surveys.¹ Such inaccuracies tended to confuse management about advertising and public relations. John Wanamaker's statement typifies management's sentiments during this period. He claimed, "I know half the money I spend on advertising is wasted, but I can never find out which half."² Realizing they were working in a trade employing tools that did not produce indisputable facts, advertising men did something about it. Advertising executive Dennis Altman explains that advertising executives did such things as develop authoritative studies depicting reaction curves to various advertisements in different

¹"FTC Leaps into the Rating Fray," *Broadcasting*, May 9, 1960, p. 56.

²Martin Mayer, *Madison Avenue, U.S.A.* (New York: Harper and Brothers, 1958), p. 257.

settings, document similar advertising campaigns, analyze specific market segments, and pretest campaigns.³ Public relations practitioners, on the other hand, relied on such novice means of communicating with management as circulating newspaper and magazine clippings, translating the clippings' column inches into cost figures as a means of demonstrating their value in advertising dollars, and providing circulation figures of publications printing their news releases.

Public relations practitioners spoke to management in terms of intangibles, offering only measurements of the media and not effects. The advertising man converted the intangibles into tangibles which were quantitative and easily related to by management. Because the public relations practitioner spoke in intangibles, his primary criticism of management--that he could not help form policy--became clear. It is based simply on the practitioner's inability to communicate adequately with management.

In spite of this language barrier, management continued to seek public relations assistance whenever conditions warrant. For example, business reacted in varied ways to the civil rights movement of the sixties.

³Denis Altman, "How to Get Out of the Back of the Bus," *Public Relations Journal*, February, 1963, p. 7.

Hiring and promotion practices were altered as civil rights advocates protested business practices by boycotts and strikes. The seventies were ushered in with new social and economic problems placing demands on management. This has resulted in management's being more aware of public relations.

In preceding years the practitioner's position in the company was relatively secure--provided profits continued to rise. When profits dipped, the practitioner was among the first of the employees to go, and with him went the company's public relations program. Public relations was generally considered a frill, to be dispensed with along with other luxuries. The *Wall Street Journal* describes the public relations business as "a barometer of business spending. The hiring and firing pattern within the profession fluctuates with the vicissitudes of the economy."⁴ Today, the situation seems to be changing. There are too many long-range, complex problems which require continuous public relations' attention. The energy crisis and environmental pollution are examples of problems which cannot be solved simply or quickly. Solving these and other problems will require large expenditures of money and manpower. Businesses

⁴Pamela G. Hollie, "The Public Relations Business Picks Up," *Wall Street Journal*, May 17, 1973, p. 38.

will want to inform their different publics as to what they are doing and why. Because of these and other commitments, public relations is no longer considered a frill. This attitude is evidenced by management's response to the survey reported on in Chapter IV. As many as sixty-seven per cent indicated they would reduce or curtail public relations only in proportion to other departments in the event of an economic recession. This viewpoint is shared by the practitioners cited in Chapter III. They agreed their management would not eliminate or substantially reduce public relations programs during a business slump. As recently as 1970, a national economic recession resulted in a ten per cent reduction of public relations personnel across the nation. Data make it seem inconceivable that a similar situation will recur.

Thus far, this study has examined two issues: the status of the public relations practitioner in the corporate structure, and the practitioner's concept of public relations versus management's. The information gathered indicates two significant points: first, management's view of public relations differs markedly from the practitioner's view. This situation tends to work against the practitioner as evidenced by management's willingness in the past to dismiss him during economic reversals. Second, management's inability to understand

public relations does not prevent it from seeking public relations' assistance when problems arise.

Data imply that the practitioner must do a great deal if he wishes public relations to be truly a function of management. His criticisms of management reflect his own shortcomings, not management's. If the practitioner wants to help formulate corporate policy, he must communicate with management in terms management can understand.

What Can Be Done?

Most leading public relations executives seem to agree that the practitioner must align himself with management's goals. Thomas W. Stephenson, Director of Public Relations, E. I. du Pont de Nemours and Company, states,

The primary function of an industrial corporation is economic. Practitioners should be respected and rewarded in proportion to how their opinions, proposals, ideas, projects, and policies serve the primary economic function and long-term commercial interest of the corporation.⁵

George Hammond, Chairman of Carl Byoir and Associates, supports this view. He states, "PR has to be mighty careful to make sure it relates its activities to the business needs of its corporations and clients."⁶

⁵Daniel Forrestal, "Align PR to Management Needs," *Public Relations Journal*, October, 1971, p. 40.

⁶*Ibid.*

Many executives maintain one reason practitioners do not have management's ear is that they are uneducated about workings of business. Placide Labelle, President of Publicity Services Limited, Montreal, believes that management historically has linked mathematics with soundness of judgment. She admits the reason for this is none too clear, although the overwhelming presence of engineers and financial experts at the top of the organization chart, she points out, may be an explanation. Therefore, Labelle advises,

To validate the public relations claim that it is indeed a management function, more mathematical sensitivity must be added to its ability to perceive the intricacies of technology, research, and finance, where the mathematical action is.⁷

Robert Leaf, President of Burson-Marsteller International, supports this view. "If PR people are to gain the confidence of management, they should know something about management. A degree followed by a business school is the best foundation."⁸ Practitioner Jack Bernstein's forecast of the public relations practitioner's future is optimistic. However, he sees the need for the practitioner to possess a working knowledge of business.

⁷Placide Labelle, "Math Need in PR Practice," *Public Relations Journal*, March, 1971, p. 19.

⁸"PR Seeks Boardroom Status," *Industrial Management*, January, 1972, p. 33.

Bernstein advises,

PR people have to recognize the realities of managing a business. They can be strong advocates of the need for heightened social responsibility on the part of the corporation, but must never lose sight of its reason for existence--to earn a fair profit.⁹

The practitioner's lack of business acumen prevents him from translating accomplishments into terms management can understand. Arthur Merims, Public Relations Director, Motorola, explains, "We practitioners cannot justify our activities in terms management really appreciates: return on investment, share of market, and contribution to sales increase."¹⁰ Merims believes one reason for this inability is that public relations has not had the money to devote to research which would evolve definitive answers on costs and measurement. One means of measuring results, Merims contends, is by putting objectives in writing for all to see. This system tends to prevent the practitioner from being too general in establishing goals. Specific objectives can be measured better, Merims advises.

In his book, Irving Kogan supports the need for good reporting by quoting Harold Burson, President of Burson-Marsteller Associates:

⁹ Jack Bernstein, "The Coming Age of the PR Man," *Public Relations Journal*, November, 1972, p. 61.

¹⁰ Arthur M. Merims, "Translating Public Relations Services in Management Terms," *Public Relations Journal*, January, 1972, p. 1.

We must apply every bit as much skill and perception to management reporting as we apply to editorial cultivation, speech writing, or photography supervision.¹¹

Kogan further states, "Sharply defining for management what public relations is doing, and why, will do much to overcome the inherent measurement limitations that exist."¹²

The old method of circulating newspaper and magazine clippings is recognized as less than effective in providing management an account or review of public relations programs and activities. This is supported by a recent *New York Times* article stating,

Today's PR man's effectiveness is no longer judged by how many clippings he shows up with at the client's office. Clients these days prefer to judge performance by the change of consumer attitudes as gauged by sophisticated research methods.¹³

Unfortunately, little has been done in this area, and future prospects are not very encouraging. David Finn of Rudder, Finn, recognizes the need to apply systems and procedures in determining public relations effectiveness. His methods include cataloging accomplishments, then counting and interpreting them in comparison with those

¹¹Irving Kogan, *Public Relations* (New York: Alexander Hamilton Institute, 1970), p. 299.

¹²*Ibid.*, p. 300.

¹³Philip H. Dougherty, "Issue-Oriented Public Relations," *New York Times*, Nov. 5, 1972, p. 17.

other companies and industries. Changes in sales curves need to be examined in relation to public relations activities. Finn states,

. . . occasionally scientific opinion surveys are made to check trends that might be traced to public relations efforts. Some progress has been made through these efforts, and order seems to be slowly emerging. No real sign of a systematic approach to the practice has yet appeared.¹⁴

An oversimplified, but useful approach to the problem of reporting to management is recommended by Rex Harlow, Editor and Publisher, *Social Science Reporter*, and first editor of the *Public Relations Journal*.

The personality of the top executive of the organization will be the controlling factor in what the public relations man reports. The report must meet¹⁵ the interests and needs of the man who receives it.

Regardless of the method, the practitioner must keep management informed on a level consistent with reports from other corporate departments. Arthur Merims suggests to management, "The public relations effort should be expected to meet certain goals and should be held accountable to document its results."¹⁶ Current

¹⁴David Finn, *Public Relations and Management* (New York: Reinhold, 1960), p. 133.

¹⁵Rex F. Harlow, "What Makes a Good PR Report," *Public Relations Journal*, January, 1969, p. 31.

¹⁶Arthur M. Merims, "Marketing's Stepchild: Product Publicity," *Harvard Business Review*, November-December, 1972, p. 109.

business standards require the practitioner to meet his responsibilities in accounting to management by creating meaningful reports confirming to management's expectations. General and meaningless statements such as the following by Irving Kogan no longer provide adequate operating guidance for the practitioner: "The closer the working relationship is between management and the PR executive," Kogan suggests, "the better will PR activities be tailored to corporate needs."¹⁷

The Future

Much of the information discussed thus far seems to indicate the future is secure and promising for public relations practitioners. Jack Bernstein predicts:

In the seventies, the public relations specialist will emerge as the potent force in corporate communications. He will be charged with managing total communications, including advertising.¹⁸

John Cook, Vice-president, Reddy Kilowatt, Inc., forecasts that management's preference for advertising over public relations is changing so rapidly and drastically that the general strategic control and direction of most future corporate communications will be vested in public relations practitioners. The basic reasons for

¹⁷Irving Kogan, *Public Relations*, p. 17.

¹⁸Jack Bernstein, "The Coming Age of the PR Man," p. 60.

this, Cook explains, can be segmented into considerations of communications and management. Under communications considerations, he explains, the practitioner's role is increasing as a counselor and contributor to corporate policy. Conversely, advertising is recognized by management as being solely involved with tactical communications, which simply selects the style of the message to be delivered and the appropriate media to do so. A second reason is that consumers now purchase both products and the companies which produce them. While a good corporate reputation has always been important, today it is crucial because of constant change and insignificant product differences. In this climate, Cook contends that every company needs a competitive distinction beyond its product. He maintains public relations can provide this edge. He also points out that advertising provides a company's most conspicuous public face. Now, since it is under attack by everyone from consumers to the government, advertising must be controlled through corporate objectives. He concludes that some new and proposed regulations which restrict advertising actually provide public relations opportunities. For example, counter advertising legislation will not require all opposing viewpoints to be presented in the form of advertisements. A broadcaster could work them

into programming instead.

In his discussion of management considerations, Cook outlines several changes which will contribute to an increase of the practitioner's responsibilities. He notes that today's executives are faced with many issues beyond profitability. These might range from pollution control, a complex and difficult problem, to the social impact of products, a vague and ill-defined problem. A second factor is that today's managers recognize additional nonconflicting social responsibilities. Closely related to this is management's concern with the human aspects of business. Managers must be able to understand and motivate people. Finally, top executives are personally representing their companies before an increasing number of vocal and active publics. American business is under siege by vigorous critics who hold it responsible for most of society's ills.¹⁹

Colin Norton-Smith, Group Public Relations Advisor to Inbucon, also agrees that public relations will be relied on more as an overseer of advertising. Smith says:

Though public relations has in one way grown up as a free promotional activity, it should influence in

¹⁹ John Cook, "Consolidating the Communications Function," *Public Relations Journal*, August, 1973, pp. 6-8.

many ways advertising policy, not for marketing purposes, but for the sake of corporate image.²⁰

Management today is cognizant of social and economic problems. More importantly, management is aware that institutions failing to keep abreast of the explosive environment surrounding them will probably not survive the next decade. Public relations is the only line open in this direction. A *New York Times* article describes the current state of affairs more graphically:

There is a saying in the PR business: "A scared client is a good client." These days government, consumerists, environmentalists, minority groups, feminists, and tight money are making some dandy clients.²¹

Conclusions

In many respects the public relations practitioner has come a long way since the turn of the century. For example, he has adopted and put into practice many findings of the social sciences resulting in a more professional service to his clients. Stemming from this has been his elevated position in the corporate structure to the point where many practitioners are now vice-presidents. Kenneth Henry, Public Relations Director, National Association of Credit Management, quotes a 1965

²⁰"PR Seeks Boardroom Status," p. 31.

²¹Philip H. Dougherty, "Issue-Oriented Public Relations," p. 17.

study by Robert W. Miller entitled "Corporate Policies and Public Attitudes" in which Miller surveyed 250 chairmen or presidents of the largest corporations in the United States. He found that: (1) public relations has achieved a secure place in the corporate structure, with large expenditures for public relations programs and activities recognized as essential; (2) the public relations director in an increasing number of companies (thirty-one per cent) plays a part in principal policy discussions and formulations; and (3) in the majority of the companies, the chief executive recognizes and accepts his ultimate personal responsibility for public relations.²² Miller's study, showing that thirty-one per cent of companies allowed the practitioner to participate in policy decisions contrasts interestingly with the survey in Chapter IV showing forty-three per cent. It was also reported in Chapter IV that an additional twenty-seven per cent do so on a part-time basis. No reports have indicated a part-time input into policy decisions by the practitioner. This might mean that practitioners either contributed to policy decisions or did not. If so, the practitioner has made greater progress as a function of management than available

²²Kenneth Henry, "Perspective on Public Relations," *Harvard Business Review*, July-August, 1967, p. 30.

information indicates.

In spite of the progress made by the practitioner, a division still exists between management's understanding of public relations and the practitioner's. Evidence implies that the practitioner is not trying to reduce the division. Many practitioners persist in lamenting about not having access to management, while continuing to utilize archaic means of reporting to management. Yet, some attempts are being made. A 1969 survey of the "Fortune 500" companies revealed that public relations research in corporations "will become increasingly important in the next five years." It disclosed that eight companies spent more than \$100,000 for public relations research; seventeen companies spent between \$26,000 and \$100,000; and eighteen companies spent between \$11,000 and \$26,000.²³

Survey results in Chapter IV make clear that management is quite receptive to public relations once the practitioner obtains the opportunity to participate in management decisions. The practitioner's participation in policy decisions tends to create a higher degree of confidence in management of public relations. This point is more clearly defined by management's evaluation

²³ Arthur Merims, "Translating Public Relations Services in Management Terms," p. 12.

in measuring the effectiveness of public relations. When the practitioner does not participate in policy making, management tends to evaluate his efforts as satisfactory. In contrast, when the practitioner participates, his programs are rated much higher.

Available information suggests that management has traditionally sought quantitative solutions to problems; such an approach is in conflict with the practitioner who stresses the immeasurable and intangible when analyzing problems. The survey results in Chapter IV demonstrate management's growing awareness that the practitioner's analyses of problems are closer to the truth than those previously thought of by management. This convergence of viewpoints by both management and practitioner is causing management to seek and maintain public relations assistance in solving the problems facing it in the seventies. The results, it appears, will be that the practitioner will perform his task more as a function of management than he has been doing in the past. This change of the practitioner's role will come about principally as a result of management's need to cope with existing and foreseeable problems, rather than through any specific efforts put forth by the practitioner. To ensure a lasting and close working relationship with management during the coming years, the practitioner must learn to

communicate with management more skillfully than he is now doing if he is to protect and enhance his new found status.

SELECTED BIBLIOGRAPHY

SELECTED BIBLIOGRAPHY

- Aaker, David A., and Day, George S. "Corporate Responses to Consumerism Pressures." *Harvard Business Review*, 50 (November-December, 1972), 114-24.
- Altman, Dennis. "How To Get Out of the Back of the Bus." *Public Relations Journal*, 29 (May 17, 1973), 6-7.
- "Are Public Relations Executives Becoming More Involved with Corporate Advertising?" *Public Relations Journal*, 28 (November, 1972), 24-25.
- Bernstein, Jack. "The Coming Age of the Public Relations Man." *Public Relations Journal*, 28 (November, 1972), 60-61.
- Bieringer, Leroy J. "They All Came Running . . . for Public Relations Help." *Public Relations Journal*, 28 (May, 1972), 6-8.
- Brandenburg, George A. "PR: A Top-Level Function in Corporate Management." *Editor and Publisher*, 93 (November 12, 1960), 15.
- Canfield, Bertrand C. *Public Relations Principles, Cases and Problems*. Homewood, Ill.: Richard D. Irwin, Inc., 1968.
- Cook, John. "Consolidating the Communications Function." *Public Relations Journal*, 29 (August, 1973), 6-7.
- Cutlip, Scott M., and Center, Allen H. *Effective Public Relations*. Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1964.
- Daniels, Leonard N. "PR Gestalten: A System for Quantifying Public Relations Output for Managers." *Public Relations Journal*, 28 (January, 1972), 8-11.
- Dougherty, Philip H. "Issue-Oriented Public Relations." *New York Times*, Nov. 5, 1972, sec. III, p. 17.
- _____. "Advertising Film Assays PR." *New York Times*, Nov. 22, 1972, p. 46.

- Finn, David. *Public Relations and Management*. New York: Reinhold Publishing Co., 1960.
- Forrestal, Daniel. "Align PR to Management Needs." *Public Relations Journal*, 27 (October, 1971), 39-41.
- _____. "Public Relations: An Orphan in the Family of Business School Subjects." *Public Relations Journal*, 29 (January, 1973), 12-15.
- Harlow, Rex F. "What Makes a Good PR Report?" *Public Relations Journal*, 25 (January, 1969), 31-32.
- Hearle, Douglas G. "The Effective Use of Public Relations in Marketing." *Public Relations Journal*, 29 (January, 1973), 8-10.
- Hennessy, Bernard C. *Public Opinion*. Belmont, Calif.: Wadsworth Publishing Co., 1970.
- Henry, Kenneth. "Perspective on Public Relations," *Harvard Business Review*, 45 (July-August, 1967), 14.
- Hiebert, Ray E. *Courtier to the Crowd*. Ames: Iowa State University Press, 1966.
- Hollie, Pamela G. "The Public Relations Business Picks Up." *Wall Street Journal*, (May 17, 1973), p. 38.
- "How Business Faces a Hostile Climate." *Business Week*, 2246 (September 16, 1972), 70-72.
- Kogan, Irving J. *Public Relations*. New York: Alexander Hamilton Institute, 1970.
- Labelle, Placide. "Math Need in PR Practice." *Public Relations Journal*, 27 (March, 1971), 19-20.
- Lesly, Philip. *Lesly's Public Relations Handbook*. Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1971.
- McIntyre, Robert B. "Satler Gives Results of PR Info Survey." *Editor and Publisher*, 94 (June 17, 1961), 46.
- Mayer, Martin. *Madison Avenue, U.S.A.* New York: Harper and Bros., 1958.

Merims, Arthur M. "Translating Public Relations Services in Management Terms." *Public Relations Journal*, 28 (January, 1972), 12-13.

_____. "Marketing's Stepchild: Product Publicity." *Harvard Business Review*, 50 (November-December, 1972), 107-13.

Newsom, Earl. "The Care and Feeding of Bosses." *Public Relations Journal*, 14 (February, 1958), 6-8.

Pinkerton, Stewart W., Jr. "PR Men First To Go When Times Are Bad Are Getting the Axe." *Wall Street Journal*, (June 29, 1970), 1.

"Public Relations Seeks Boardroom Status." *Industrial Management*, 2 (January, 1972), 30-35.

Riggs, Frank L. "How the Managerial Mind and the PR Mind Can Work Together and Get the Job Done." *Association Management*, (March, 1973), 40-43.

Selltiz, Claire; Jahoda, Marie; Deutsch, Morton; and Cook, Stuart W. *Research Methods in Social Relations*. New York: Holt, Reinhart and Winston, 1964.

Simon, David H. "You Can't Buy Good PR." *Management Review*, 62 (April, 1973), 24-32.

Starr, Edward. *What You Should Know about Public Relations*. New York: Oceana Publications, 1968.

Stephenson, Howard. *Handbook of Public Relations*. New York: McGraw-Hill Book Co., 1960.

Stevens, Art. "Public Relations: The Image of the Image Maker." *Management Review*, 60 (November, 1971), 2-10.

_____. "PRQ Poll." *Public Relations Quarterly*, 16 (Summer, 1972), 3.

"Study Underscores PR's Changing Role." *Editor and Publisher*, 95 (July 14, 1972), 39.

Sullivan, Patrick J. "Is Public Relations a Management Function?" *Public Relations Journal*, 16 (March, 1960), 6-7.

Townsend, Robert. *Up the Organization*. Greenwich, Conn.: Fawcett Publications, 1970.

Wald, Robert M. "A Guide To Understanding Company Presidents." *Public Relations Journal*, 15 (September, 1959), 6-8.

Weck, Egon E. "Challenge to Management: Blending Public Relations into the Marketing Mix." *Public Relations Journal*, 29 (January, 1973), 6.

ABSTRACT

ABSTRACT

Management, along with the general public, does not understand public relations. The cause for this confusion can be found in several areas: (1) the multitude of definitions of public relations; (2) the manner in which the public relations practitioner performs his tasks; and (3) the increasing complex problems demanding public relations' attention. These and other factors have created a division between management's perception of public relations as a function of management versus the practitioner's perception.

Available literature, interviews with public relations practitioners, and a survey of sixty chief executives all reveal that public relations may not have been a management function in the past, but is becoming so principally because of increasing complex social and economic problems facing business today.

The data indicate the public relations practitioner is rising in status within the corporate structure with the result that public relations is becoming a function of management. Management no longer considers public relations a frill, as it has in the past. The study discloses that the practitioner's current success

is mainly the result of management's needs rather than the practitioner's efforts. It is clear that the practitioner must learn to function closer to management if he wishes to retain his newly found status.

Thesis
V397

Vercessi

Business management
and public relations.

149607

Thesis
V397

Vercessi

Business management
and public relations.

149607

Business management and public relations



3 2768 000 99392 7
DUDLEY KNOX LIBRARY